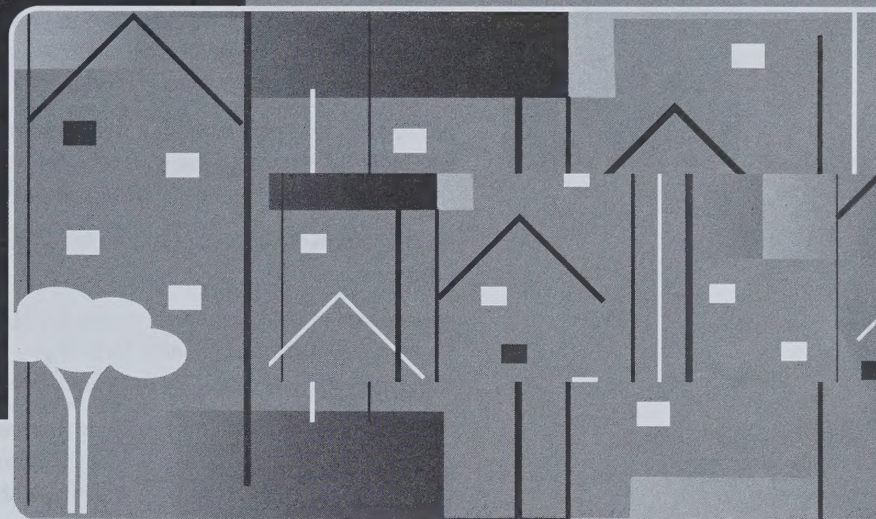


Residential Tenancy Reform Executive Summary



We want your views

The Ontario government recognizes that the current rent regulation and dispute resolution system for rental housing in Ontario does not provide balanced protection for tenants and landlords. Since rent controls were weakened, many tenants have faced unfair and excessive rent increases. Tenants have not had the equitable process they need to respond to evictions. Ontario risks losing rental units due to demolition and conversion.

The government intends to introduce legislation to repeal the current law, the *Tenant Protection Act, 1997* (TPA), and proposes to introduce a bill that would govern landlord/tenant relations. Our objective is to provide real protection for tenants and, at the same time, ensure an adequate stock of rental housing. We are looking to Ontarians to provide advice on developing this proposed legislation.

This document is a summary of the key issues raised in the consultation paper on residential tenancy reform. The paper is available online at www.rentreform.ontario.ca.

A questionnaire on the issues discussed in this summary is found at the end. Additionally, if there are any other issues you wish to raise or comment on, we encourage you to submit them. To share your views, please mail this questionnaire to us. If you prefer, you can complete it

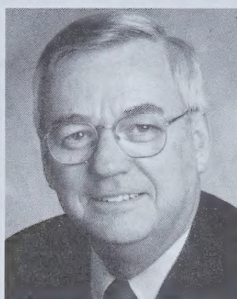
electronically on our website. You may also send any written comments to:

**Residential Tenancy Reform Consultation
Ministry of Municipal Affairs and Housing
Market Housing Branch
14th Floor, 777 Bay Street
Toronto ON, M5G 2E5
Fax: 416-585-7607 or toll-free 1-888-846-8832**

We need your submissions no later than June 15, 2004.

Proposing a new legislative landscape for residential tenancies is going to require input from a wide variety of individuals and groups. We will be holding public meetings in communities across the province. Please visit our website for further information on dates and locations, call us at 416-645-8082, toll-free 1-866-751-8082 or dial TTY line at 1-866-220-2290. In addition, we will be meeting with tenant and landlord associations, municipalities and other interested groups throughout Ontario. We will also be carefully analyzing the questionnaires, reports and letters sent to us.

Thank you for your input, and for participating in this important discussion.



Message from Minister of Municipal Affairs and Housing John Gerretsen

Welcome to a discussion on the proposed reform of Ontario's residential tenancy legislation.

The Ontario government is committed to providing real and balanced protection for landlords and tenants, and encouraging the growth and proper maintenance of the stock of rental housing across the province. We understand that the strength of our communities in part depends on a healthy rental market.

Before proposing new legislation to achieve this goal, we will consult extensively with tenants, landlords and others affected by these issues to hear what they think. We are seeking input from the people of Ontario by holding town hall meetings and discussions with a wide range of community groups.

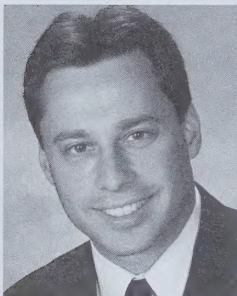
This discussion paper is an essential part of our strategy to obtain your suggestions and ideas on how to proceed.

I have asked my Parliamentary Assistant Brad Duguid, to be my representative for these public consultations. He will travel across the province to hear your views on the ways we can make Ontario's rental housing market healthy and strong for both tenants and landlords.

With your help, our government is confident we can propose legislative reform to protect tenants and promote a healthy private rental housing market both now and in the future. This will help keep our communities strong and vibrant, and ensure that residents enjoy a quality of life that is second to none.

John Gerretsen

Minister



Message from Parliamentary Assistant to the Minister of Municipal Affairs and Housing (Urban) Brad Duguid

Minister of Municipal Affairs and Housing John Gerretsen has asked me to lead the dialogue between our government and Ontarians on ways to improve our rental housing market to ensure tenants have real protection and to encourage a healthy and vital rental housing industry. This is part of the Ontario government's plan to make Ontario strong, healthy and prosperous.

I look forward to touring our province, and listening to the views of tenants and landlords across Ontario.

This document contains a questionnaire that I encourage you to complete. It forms an important part of our dialogue with you, and provides you with an opportunity to make your views known directly to our government, as we move forward on our agenda of real, positive change for Ontario.

The discussion paper examines a number of areas where improvements are needed. These include rents charged to new tenants, adjusting rents based on utility costs, proper maintenance of a rental building, regional decontrol, rent deposits, dispute resolution, tenant and landlord rights, and the demolition and conversion of rental housing.

Our discussion will take us to communities where we can hear from as many people and organizations as possible. Town hall meetings will be held in the GTA (Central, East and West), Kitchener, Hamilton, London, Sudbury, Kingston, Ottawa and Thunder Bay.

I invite you to attend one of the public meetings, and provide your comments on this very important topic. Information regarding the dates and times of the meetings can be found on our website, www.rentreform.ontario.ca, and/or by calling 1-866-751-8082.

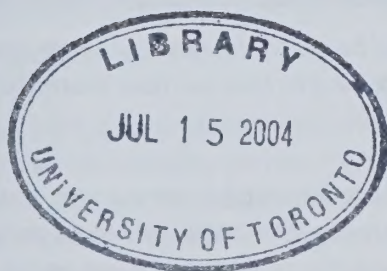
Thank you in advance for your participation in this process.

Brad Duguid

Parliamentary Assistant

Table of Contents

We want your views	1
Issues for consultation	4
Rents for new tenants	4
Rent increase guideline	5
"Costs No Longer Borne" for utility costs	6
Maintenance and rent increases	6
Regional decontrol	7
Interests on rent deposits	8
Dispute resolution	9
Making landlords and tenants aware of their rights and responsibilities	9
Demolition and conversion	10
Questionnaire	11



Issues for consultation

In the questionnaire, you are asked to choose from a range of possible options for residential tenancy reform. The following information provides background for the questions. We hope you find it helpful when answering the questionnaire. It may be beneficial to read each section and then answer the corresponding question in the questionnaire.

Rents for new tenants

Currently, when a rental unit becomes vacant, there is no limit to the amount of rent that can be charged to the new tenant. This is commonly referred to as “vacancy decontrol.”

Concerns have been raised that vacancy decontrol leads to unfair rent increases being charged to new tenants.

1. By how much, if at all, should a landlord be able to increase the rent when a new tenant moves in?

Option A: No increase. A new tenant should be charged the same amount as the previous tenant.

- Rents on vacant units would be kept affordable.
- This could create a financial hardship for landlords who have not charged the previous tenant all increases allowed under provincial annual rent increase guidelines.
- Landlords would no longer be able to wait until a unit is vacant to do capital repairs or renovations, and then charge the new tenant a higher but fair rent for the improved unit; instead, they would be required to file an application to the Ontario Rental Housing Tribunal (the Tribunal) for an increase above the provincial guideline.

Option B: A landlord should be able to charge a new tenant the same rent as the previous tenant, plus the increase allowed by the annual rent increase guideline.

- Affordable rent levels would be maintained for new tenants, and landlords could still raise rents modestly.
- Landlords would have some opportunity to bring a new rent closer to what they could charge on an open market.

- There would be some incentive for landlords to maintain and improve rental stock.
- This could enable some landlords to have more than one rent increase on a unit within the same year.

Option C: A landlord should be able to charge a new tenant the same rent as the previous tenant, plus any increases that the landlord was allowed to charge to the previous tenant but chose not to.

- Landlords could have the opportunity to catch up on missed rent increases when setting the rent for a new tenant.
- This would give more flexibility to landlords while still protecting existing tenants from large rent increases.
- This would provide incentive for some landlords to improve a unit when it becomes vacant.
- Landlords could choose not to increase the rent for a sitting tenant, without fearing they would never be able to catch up on this missed rent.
- In some cases, this could result in large rent increases on vacant rental units if the landlord has regularly not applied the rent increases allowed by provincial guidelines.

If rents for new tenants are regulated, then consideration must be given to how tenants would find out the lawful rent when they move into a new unit.

2. How would new tenants find out what their rent should be?

Option A: It should be up to the new tenant to contact the previous tenant to find out how much they were paying for rent.

- Tenants would have to find out the previous rent, and if they believed their rent was unlawful, they could apply to the Tribunal to get their money back, based on the evidence they have found on their own.
- It could be very difficult to locate previous tenants to obtain information about previous rents.

Option B: Landlords should have to tell the new tenants what the previous rent was.

- Landlords would be required to give new tenants information on the previous rent (i.e., copy of the last notice of rent increase or the prior lease).
- Tenants could apply to the Tribunal if they believed the rent was unlawful, and the rent information from the landlord could be used as written evidence in support of the application.

Option C: The government should keep a list of the rent in every apartment and rental house that the new tenant can use to look up the previous rent.

- Landlords would be responsible for providing their rent information to the Tribunal.
- The Tribunal would provide this information to tenants upon request, and the tenants could file an application if they believed the rent was unlawful.

Rent increase guideline

The government has stated it wants to protect tenants by ensuring that the rules for rent increases are fair.

The annual rent increase guideline is the maximum percentage that landlords can raise rents without applying for approval from the Tribunal. The guideline is calculated by taking a base amount of 2 per cent, and adding an amount that reflects average increases to building operating costs (i.e., utilities, repairs, etc.).

Since 1991, this calculation method has generally resulted in guidelines exceeding the rate of inflation. Tenant advocates and others have maintained that the guideline is too high. However, in a period of high inflation this formula would produce a guideline that is below inflation.

3. When the government is setting the limit for rent increases (the annual rent increase guideline) every year, how should that number be calculated?

Option A: Keep the current system of 2 per cent plus an amount for increases in building operating costs.

- Tenants have argued that the current formula produces a guideline that is too high, and that this erodes the affordability of rental housing.
- Landlords have argued that it allows them to maintain their properties and earn an adequate return on investment.

Option B: Keep the current system, but reduce the base amount from 2 per cent to 1 per cent.

- The guideline would generally be close to the current rate of inflation.

Option C: Keep the current system, but remove the base amount altogether. Rent increases would be based only on increases in building operating costs.

- The guideline would be based solely on the average increases in building operating costs.
- With this option, if inflation remained at around 2 per cent, the guideline would be approximately 1 per cent below the inflation rate.
- Tenants might benefit from eliminating the 2 per cent base amount because it would result in a lower guideline.
- A lower guideline may make it more difficult for landlords to cover their costs or receive an adequate return on their investment.

Option D: Rent increases should be tied to the Ontario Consumer Price Index (which is the rate of inflation.)

- The rate of inflation (CPI) would set the rent increase guideline.
- This would tend to produce a lower guideline than the current formula. For example, in 2003, the Ontario CPI was 2.7 per cent, while the guideline was 2.9 per cent.
- CPI is a widely accepted public indicator of price changes.
- Unlike the current system, the CPI-based calculation would not specifically reflect changes in building operating costs.

"Costs No Longer Borne" for utility costs

Landlords can apply to the Tribunal to increase the rent by an amount above the guideline (above-guideline increase or AGI) if their utility costs (heat, water and electricity) are higher than those provided for in the guideline calculation. However, if landlords' utility costs subsequently decline, the TPA has no requirement for landlords to reduce the increased rent. Where an above-guideline increase based on increased utility costs, has been approved, and those costs subsequently decline, this is referred to as "costs no longer borne."

The government wants to address this issue in order to protect tenants from rent increases that are no longer justified.

4. What should be done to protect tenants from continuing to pay higher rents when utility costs decrease?

Option A: Allow AGIs based on utility costs to be charged for one year only, unless the landlord can prove to the government that the utility costs have not decreased.

- Tenants would be assured that they would not pay extra costs unnecessarily.
- Utility costs generally do not decline unless there has been a spike in rates, so requiring landlords to regularly demonstrate that costs have not decreased may result in unnecessary administrative work.

Option B: Allow AGIs based on utility costs to remain in the rent, but give tenants the right to apply for a rent reduction if these costs decrease.

- Tenants could apply to the Tribunal for a rent reduction only if utility costs have decreased, which could be more efficient than option A.
- It may not be easy for tenants to know whether utility costs have decreased, unless landlords are required to give them this information.

Option C: Have the government through the Ontario Energy Board keep track of utility rates and if these rates go down, announce a decrease in rents affected by AGIs that are based on utility costs.

- The government would track changes in utility rates over a period of time, and if these remained the same, AGIs based on utility costs would automatically remain in the rent.
- If the market rates decreased by a certain amount, rents would be reduced province-wide for affected units.
- There would no need for landlords to do unnecessary administration work in years when utility costs have not decreased.
- The basis for removing an AGI would be a general price change and not related to the costs of a particular building.

Maintenance and rent increases

Landlords are required to keep their rental buildings in a good state of repair, and they must comply with health, safety, housing and maintenance standards. Tenant advocates and some municipalities have suggested that additional rules are needed to make landlords comply more quickly with work orders issued by municipalities.

The government is considering whether or not landlords should be allowed to raise rents if rental buildings are inadequately maintained, and what penalties should be imposed on landlords who do not meet these responsibilities

5. What should be done if landlords fail to maintain rental buildings?

Option A: Do not allow any rent increases if a landlord has not complied with a work order.

- Landlords would not be allowed to raise rents for those units with outstanding work orders. If the order were for a common area in a building, then the prohibition would apply to all units.
- This would provide some compensation for tenants who are required to live in sub-standard conditions.

- It is possible that without the revenue generated from rent increases some landlords would not be able to afford to make the necessary repairs. This could result in a downward slide in the quality of building standards leading to worsened conditions for tenants.

Option B: Do not allow any above-guideline rent increases if a landlord has not complied with a work order.

Note: Landlords can apply to the Tribunal for an above-guideline rent increase when they have incurred extraordinary operating costs, new or increased security costs, and/or done major capital expenditures (such as major repairs or renovations).

- Landlords would not be eligible to receive an above-guideline rent increase when there is an outstanding work order.
- Landlords would be encouraged to maintain their buildings, but would not be denied the annual rent increase guideline — which could provide the necessary revenue to conduct the outstanding repairs.

Option C: Expand what the Ontario Rental Housing Tribunal can order a landlord to do when a tenant reports inadequate maintenance.

Note: Currently, if the Tribunal determines that a landlord has breached obligations for adequate maintenance, it can order various remedies, such as requiring the landlord to do the repairs or refunding part of the rent for the time the maintenance was inadequate.

- The list of remedies that the Tribunal can order would be expanded to include items such as a prohibition of rent increases and/or a permanent reduction in rent in severe cases.
- The Tribunal would have more flexibility to address maintenance issues.

Regional decontrol

In order to stimulate the production of new rental housing, and to encourage landlords to invest in the maintenance of existing rental units, rent controls could be removed in regions with sustained high vacancy rates. This is known as “regional decontrol.” The government has committed to consulting on how this could be implemented, and has stated that, at a minimum, rent controls should not be lifted in a region unless there is a sustained high vacancy rate of at least 3 per cent in all income categories.

There are limits to the available data around vacancy rates, which would need to be considered before proposing a major new initiative such as regional decontrol. Vacancy rate data does not include 40 per cent of the market known as the “secondary market” (i.e., accessory apartments in family homes and apartments over garages and stores, rented condominiums, and rented houses and duplexes). It is very difficult to get information about this market. Vacancy rates also do not include data about rental units in municipalities containing fewer than 10,000 residents, which means that data are not available for about one-third of Ontario’s 447 municipalities. The government would like to explore suggestions for how this information on the secondary market and smaller municipalities could be obtained.

If one region is decontrolled and a neighbouring region is not, it may be unclear to landlords and tenants on the “borders” whether they are controlled by rent regulation. As well, tenants may choose to migrate to the controlled regions, leaving the decontrolled regions with even higher vacancy rates.

6. In your opinion, how high should a region’s vacancy rate be before the government looks at removing rent controls?

Option A: The threshold should be 3 per cent.

- A vacancy rate of 2-3 per cent is most often cited in Canada for a healthy vacancy rate, so this could be an appropriate threshold for decontrolling a region.

- Using this threshold means that many municipalities would be decontrolled, including major urban centres such as the City of Toronto.

Option B: The threshold should be higher than 3 per cent.

- Fewer regions would be eligible for decontrol.

Note: Vacancy rate criteria may not be sufficient to make decisions on whether a region should be decontrolled. The government is considering including other criteria to be met, such as:

- A minimum number of years that the specified vacancy rate must be sustained.
- High vacancy rate levels at the more affordable end of the market.
- A low number of tenants experiencing housing affordability problems.
- Low average rent increases.

7. If a region is decontrolled what rent rules should be eliminated?

Option A: Eliminate rules around rents for new tenants, the annual rent increase guideline and above-guideline increases.

- Landlords could charge any rent the market would allow, since they could set rents for new and existing tenants without restriction.
- This would likely provide maximum incentive for investment in rental housing.

Option B: Eliminate rules around rents for new tenants, but keep rules around the annual rent increase guideline and above-guideline rent increases.

- Landlords could set any rent for a new tenant, but once the tenant moves in, the guideline and all other existing rules would apply.
- Landlords would have the freedom to renovate a vacant unit and charge a new rent, or catch up on missed increases when a new tenant moves in.

- Existing tenants would not experience excessive rent increases.

Interest on rent deposits

Landlords that collect one month's rent deposits must pay tenants 6 per cent interest each year on the deposits.

Many landlords believe that the 6 per cent rate of interest is unreasonable, as it is considerably higher than current inflation rates, as well as rates of return at banks for typical term deposits.

8. What interest rate should be paid on rent deposits?

Option A: Change the interest rate paid on rent deposits to a fixed rate of 3 per cent.

- This rate is closer to both the current rate of inflation, and current rates of return on term deposits such as Guaranteed Investment Certificates.
- A fixed rate (compared to a variable rate) means that it is easy for landlords and tenants to understand and apply.

Option B: Keep the interest rate paid on rent deposits at a fixed rate of 6 per cent.

- This rate is well known and understood by landlords and tenants.
- It is higher than both the current inflation rate and the rate of return for common types of investment, and may no longer be appropriate or fair.

Option C: Change the interest rate paid on rent deposits each year to a variable rate that is based on the rate of inflation or the interest rate on a common type of investment such as a Guaranteed Investment Certificate.

- A variable rate would be announced annually.
- The interest rate paid by landlords would closely reflect the economic climate at any point in time.
- This would be more confusing than a fixed rate, because the number would change each year.

Dispute resolution

The Ontario Rental Housing Tribunal resolves disputes between tenants and landlords. The government is committed to introducing legislation that would ensure that dispute resolution procedures are fair and workable for both landlords and tenants.

Eviction applications are one of the most common causes for dispute resolution proceedings. Currently, for most types of eviction applications, the Tribunal may issue a default order if the tenant does not file a written response to the eviction application within five days. A default order is an order that is issued without a hearing before a Tribunal adjudicator. (The five-day deadline follows the 14-day notice period during which the tenant has the opportunity to pay the outstanding rent.)

Approximately 70 per cent of tenants do not respond to eviction applications or show up to hearings. The default order process can resolve disputes quickly and reduce costs by avoiding unnecessary hearings.

However, the default order process has been strongly criticized by tenant advocates and the Ontario Ombudsman. They maintain that tenants are not given a fair opportunity to participate because the process is too confusing and the five-day dispute deadline is too short. They also maintain that denying tenants hearings is unfair.

9. How can the dispute resolution process be made fairer?

Option A: Remove the default process.

- All applications would automatically go to a hearing, with no requirement for tenants to dispute in writing.
- This would make the process clearer for tenants and landlords.
- Tenants would have the guaranteed right to attend a hearing.
- In most cases, it might take more time for the Tribunal to issue orders, which in cases of arrears would increase the amount of rent owed to landlords.

- Landlords would have to spend time and money attending hearings where tenants do not show up.

Option B: Make changes to the default process, such as giving tenants longer than five days to respond, allowing tenants to respond by phone or e-mail (instead of only in writing), or giving tenants more opportunities to argue against the eviction order.

- The five-calendar-day deadline dispute to an application could be lengthened. For example, the deadline could be changed to five business days, (which would ensure that weekends and holidays would not reduce a tenant's opportunity to dispute) or the deadline could be doubled to 10 days. However, for both these changes, extending the time to dispute may be seen by landlords as an unnecessary and costly delay to the resolution of their applications.
- Tenants could be given more ways to file disputes, such as by e-mail or telephone.
- Tenants could be given more opportunities to challenge default orders; however, this could allow tenants to extend the eviction process even where an extension was not justified.

Making landlords and tenants aware of their rights and responsibilities

The government wants to ensure that tenants and landlords are aware of their rights and responsibilities. To do this, the government could require that landlords of multi-unit buildings post a document with information about these rights and responsibilities in a conspicuous place on the rental property.

10. Should landlords be required to post a document that is easy to see in rental buildings, giving information about the rights and responsibilities of landlords and tenants?

Option A: Yes. Require landlords to post information about the rights and responsibilities of tenants and landlords.

- Tenants would have ready access to important information about their tenancy.
- It might be difficult for landlords to keep the document posted, and up to date.

Option B: No. Do not require landlords to post information about rights and responsibilities of tenants and landlords.

- Tenants would not have access to the information in their buildings.
- Tenants could access all necessary information through the Tribunal.

Demolition and conversion

The government has stated that it wants to ensure that municipalities with low vacancy rates are able to protect existing rental housing from unreasonable demolition or conversion to condominiums.

Many municipalities, supported by housing advocates, have tried to protect existing rental housing units because little new rental housing is being built, particularly at affordable rent levels. However, building owners are concerned about restrictions on the use of their properties, arguing that these restrictions can interfere with the most profitable use of their land and buildings.

11. Which of the following should be used to ensure that municipalities with low vacancy rates are able to protect existing rental housing from unreasonable demolition or conversion to condominiums?

Option A: Bring in laws requiring cities and towns to have an approval process for demolition or conversion, based on rules set out by the provincial government.

- The government could introduce legislation that would require a municipal approval process for demolition/conversion in municipalities that meet certain criteria.
- These proposed criteria could include sustained low vacancy rates and/or a high percentage of tenants with housing affordability problems.

- Proposed rules might include requiring the property owner to provide replacement rental units at similar rents, permitting demolitions if the property is structurally unsound, or allowing a conversion or demolition if the Council decides it will not adversely affect the supply of affordable rental housing in the municipality.
- Affected municipalities would have to consider certain conditions before approving demolitions/conversions of rental housing, such as whether the property owner would provide replacement rental units at similar rents.
- Some municipalities might not consider the supply of rental housing to be an issue in their area, and might object to a mandatory approval process.

Option B: Bring in laws allowing each city or town to decide whether to have an approval process for demolition or conversion, based on rules set out by the provincial government.

- The government could introduce legislation that would, if passed, make a municipal approval process optional for municipalities that meet provincially-determined criteria such as sustained low vacancy rates and/or a high percentage of tenants with affordability problems.
- This would be more flexible than option A and permit communities greater control over how they develop.

Option C: Bring in laws allowing each city or town to decide whether to have an approval process for demolition or conversion, based on their own rules.

- The government could enable municipalities to set their own criteria for prohibiting demolition and conversion of rental properties.
- Similar to option B, a municipality would have the choice whether to control demolition and conversion, but the municipality — instead of the provincial government — would determine the vacancy rate threshold or any other criteria and conditions.
- This would allow municipalities to implement controls according to the specific needs and conditions of their rental markets.
- Municipal policies on this issue could vary widely across the province, which might create inconsistency and lead to confusion for developers, landlords and tenants.

HAVE YOUR SAY: The Tenant Protection Act

The McGuinty government wants to make sure that any proposed legislation for rental housing provides balanced protection for landlords and tenants, and encourages the growth of rental housing. To make this happen, the government needs your advice on what works and what doesn't in the current legislation. Use this questionnaire to have your say. Give us your ideas on how to create a better act. The questionnaire covers a variety of issues including rents for new tenants, utility costs, dispute resolution and much more. We also plan to hold town hall meetings across the province to hear from as many people as possible. You can get more information on our website www.rentreform.ontario.ca or by calling 416-645-8082, toll-free 1-866-751-8082 or dial TTY line 1-866-220-2290.

Please take the time to complete this questionnaire. Return it to us by mail to the address below. If you need additional copies or copies of the complete consultation paper, please call Publications Ontario at 416-326-5300 or toll-free at 1-800-668-9938. If you prefer, you can complete the questionnaire online on our website. You may also send or fax any written comments to:

**Residential Tenancy Reform Consultation
Ministry of Municipal Affairs and Housing
Market Housing Branch
777 Bay Street, 14th Floor
Toronto ON, M5G 2E5
Fax: 416-585-7607 or toll free 1-888-846-8832**

The deadline for completed questionnaires and comments is June 15, 2004.

Thank you for your input and for participating in this important discussion.

Your Information

You are not required to provide your name or other personally identifying information in this questionnaire. Should you wish to give us this information, we will, unless ordered by a court or tribunal, do our best to keep it confidential. If you have questions about this, please contact Ministry of Municipal Affairs and Housing at 416-645-8082 or toll-free 1-866-751-8082.

Postal Code (Required): _____

Postal codes are collected to determine which areas of the province are participating in the consultation process.

Are you, or do you represent: (Required. Please circle as many as apply.)

- a) a tenant
- b) a landlord
- c) a tenant organization
- d) a landlord organization
- e) other

RENTS FOR NEW TENANTS

Right now, when a tenant moves out, there are no rules about what the rent for new tenants moving in should be. A landlord can charge any amount.

For tenants who are not moving, the government sets a limit on how much their rent can be increased from one year to the next (this is known as the "annual rent increase guideline"). Sometimes, landlords do not increase the rent, even when they can.

1. By how much, if at all, should a landlord be able to increase the rent when a new tenant moves in?

Circle one.

- a) No increase. A new tenant should be charged the same amount as the previous tenant.
- b) A landlord should be able to charge a new tenant the same rent as the previous tenant, *plus* the increase allowed by the annual rent increase guideline.
- c) A landlord should be able to charge a new tenant the same rent as the previous tenant, *plus* any increases that the landlord was allowed to charge to the previous tenant but chose not to.
- d) No opinion/don't know.

2. How would new tenants find out what their rent should be?

Circle one.

- a) It should be up to the new tenant to contact the previous tenant to find out how much they were paying for rent.
- b) Landlords should have to tell the new tenants what the previous rent was.
- c) The government should keep a list of the rent in every apartment and rental house that the new tenant can use to look up the previous rent.
- d) No opinion/don't know.

RENT INCREASE GUIDELINE

Every year, the government sets the annual rent increase guideline (the maximum amount rents can go up each year). Right now, they start with a base of 2 per cent. Then they add an amount that reflects how much the costs of operating a building (utilities, repairs, etc.) have gone up.

If a landlord wants to increase rent by more than the guideline (to cover special costs, such as major construction), the landlord must make an application to the Ontario Rental Housing Tribunal. This is known as an Above-Guideline Increase, or AGI.

3. When the government is setting the limit for rent increases (the annual rent increase guideline) every year, how should that number be calculated?

Circle one.

- a) Keep the current system of 2 per cent plus an amount for increases in building operating costs.
- b) Keep the current system, but reduce the base amount from 2 per cent to 1 per cent.
- c) Keep the current system, but remove the base amount altogether. Rent increases would be based only on increases in building operating costs.
- d) Rent increases should be tied to the Ontario Consumer Price Index (which is the rate of inflation.)
- e) No opinion/don't know.

"COSTS NO LONGER BORNE" FOR UTILITY COSTS

Sometimes, landlords are allowed to charge an above-guideline increase (AGI) in a tenant's rent, because their costs for utilities (heat, water and electricity) have gone up. When landlord's utility costs go down again, the landlord is not required to reduce the rent.

4. What should be done to protect tenants from continuing to pay higher rents when utility costs decrease?

Circle one.

- a) Allow AGIs based on utility costs to be charged for one year only, unless the landlord can prove to the government that the utility costs have not decreased.
- b) Allow AGIs based on utility costs to remain in the rent, but give tenants the right to apply for a rent reduction if these costs decrease.
- c) Have the government through the Ontario Energy Board keep track of utility rates, and if these go down, announce a decrease in rents affected by AGIs that are based on utility costs.
- d) No opinion/don't know.

MAINTENANCE AND RENT INCREASES

It is generally the responsibility of municipalities to enforce building standards. Inspections are conducted upon tenant request, and inspectors will enforce standards by issuing work orders.

Tenants can also apply to the Ontario Rental Housing Tribunal for relief, such as landlord being required to do the work or reduce the rent for a period of time.

5. What should be done if landlords fail to maintain rental buildings?

Circle as many as apply.

- a) Do not allow any rent increases if a landlord has not complied with a work order.
- b) Do not allow any above-guideline rent increases if a landlord has not complied with a work order.
- c) Expand what the Ontario Rental Housing Tribunal can order a landlord to do when a tenant reports inadequate maintenance. New options could include forbidding rent increases or forcing the landlord to permanently lower the rent.
- d) No opinion/don't know.

REGIONAL DECONTROL

In some communities where there is a high vacancy rate, strict rules about rent aren't always necessary. To help encourage developers to build new rental apartments, the government is looking at removing the rent controls when vacancy rates are high. This is known as "regional decontrol."

6. In your opinion, how high should a region's vacancy rate be before the government looks at removing rent controls?

Circle one.

- a) 3 per cent.
- b) Higher than 3 per cent.
- c) No opinion/don't know.

7. If a region is decontrolled what rent rules should be eliminated?

Circle one.

- a) Eliminate rules around rents for new tenants, the annual rent increase guideline and above-guideline increases.
- b) Eliminate rules around rents for new tenants, but keep rules around the annual rent increase guideline and above-guideline rent increases.
- c) No opinion/don't know.

INTEREST ON RENT DEPOSITS

Right now, landlords can require tenants to pay one month's deposit in order to move in. Landlords must use this money for the last month the tenant lives in the rental unit. Until the tenant leaves, landlords must pay the tenant 6 per cent interest per year on the deposit.

8. What interest rate should be paid on rent deposits?

Circle one.

- a) Change it to a fixed rate of 3 per cent.
- b) Keep it at a fixed rate of 6 per cent.
- c) Change it to a variable rate. This rate could be based on the inflation rate, or on the interest rate on a common type of investment such as a Guaranteed Investment Certificate.
- d) No opinion/don't know.

DISPUTE RESOLUTION

When a landlord and tenant have a dispute, the Ontario Rental Housing Tribunal can be brought in to settle the argument.

Many disputes involve evictions. Right now, tenants who fail to pay their rent are given 14 days notice. After that, the landlord can apply to the Ontario Rental Housing Tribunal to have the tenant evicted, and the tenant has five days to respond in writing. If they do not respond, the Tribunal may issue a "default order," which means the eviction can go ahead without a hearing. This is called the default process.

9. How can the dispute resolution process be made fairer?

Circle one.

- a) Remove the default process.
- b) Make changes to the default process, such as giving tenants longer than five days to respond, allowing tenants to respond by phone or e-mail (instead of only in writing), or giving tenants more opportunities to argue against the eviction order.
- c) No opinion/don't know.

MAKING LANDLORDS AND TENANTS AWARE OF THEIR RIGHTS AND RESPONSIBILITIES

10. Should landlords be required to post a document that is easy to see in rental buildings, giving information about the rights and responsibilities of landlords and tenants?

Circle one.

- a) Yes.
- b) No.
- c) No opinion/don't know.

DEMOLITION AND CONVERSION

In cities and towns, where vacancy rates are low, there is a need to make sure that rental apartments are not unreasonably demolished or converted into condominiums.

11. Which of the following should be used to ensure that municipalities with low vacancy rates are able to protect existing rental housing from unreasonable demolition or conversion to condominiums?

Circle one.

- a) Bring in laws requiring cities and towns to have an approval process for demolition or conversion, based on rules set out by the provincial government.

- 12. Any additional comments?**

**Residential Tenancy Reform Consultation
Ministry of Municipal Affairs and Housing
Market Housing Branch
777 Bay Street, 14th Floor
Toronto ON, M5G 2E5
Fax: 416-585-7607 or 1-888-846-8832**

Published by Ministry of Municipal Affairs and Housing

Copies of this publication are available from Publications Ontario, 50 Grosvenor St., Toronto, ON, M7A 1N8.

Telephone (416) 326-5300 or toll-free in Canada 1-800-668-9938. Fax (416) 326-5317. Internet: www.publications.gov.on.ca

The hearing impaired may call toll-free in Canada 1-800-268-7095

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ISBN: 0-7794-6019-7

Disponible en français : Réforme de la location résidentielle Résumé

